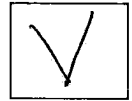


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01431A
Valle Verde Water Company
12 Garden View Dr.
Nogales, AZ 85621

FILED

APR 6 2 2010

VALLE VERDE WATER COMPANY
NOGALES, AZ 85621

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009
----	----	------

FOR COMMISSION USE

ANN 04	09
--------	----

4-6-10

COMPANY INFORMATION

Company Name (Business Name) Valle Verde Water Company		
Mailing Address P.O. Box 85160		
(Street)		
Tucson	AZ	85754
(City)	(State)	(Zip)
520-623-5172	520-792-0377	
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		
Local Office Mailing Address 2102 N. Forbes Blvd., #107		
(Street)		
Tucson	AZ	85745
(City)	(State)	(Zip)
520-623-5172	520-792-0377	
Local Office Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		

MANAGEMENT INFORMATION

Management Contact: Southwestern Utility Management, Inc.			
(Name)		(Title)	
2102 N. Forbes, #107	Tucson	AZ	85745
(Street)	(City)	(State)	(Zip)
520-623-5172	520-792-0377		
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			
On Site Manager: Eddie Morales			
(Name)			
2102 N. Forbes, #107	Tucson	AZ	85745
(Street)	(City)	(State)	(Zip)
520-623-5172	520-792-0377		
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Check the following box that applies to you company:

- ## COUNTIES SERVED

See Accountants' Report.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises	125	125	---
303	Land and Land Rights	86093	---	86093
304	Structures and Improvements	503314	278646	224668
307	Wells and Springs	613532	145011	468521
311	Pumping Equipment	305348	159096	146252
320	Water Treatment Equipment	13967	7129	6838
330	Distribution Reservoirs and Standpipes	366501	187187	179314
331	Transmission and Distribution Mains	714428	428233	286195
333	Services	78002	52101	25901
334	Meters and Meter Installations	98738	63513	35225
335	Hydrants	35007	26957	8050
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	16552	12025	4527
341	Transportation Equipment	73365	42580	30785
343	Tools, Shop and Garage Equipment	12029	3101	8928
344	Laboratory Equipment			
345	Power Operated Equipment	44869	21174	23695
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	139746	34105	105641
	TOTALS	3101616	1460983	1640633

This amount goes on the Balance Sheet Acct. No. 108

See Accountants' Report.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	125	---	---
303	Land and Land Rights	86093	---	---
304	Structures and Improvements	503314	5%	11825
307	Wells and Springs	613532	5%	24659
311	Pumping Equipment	305348	5%	7698
320	Water Treatment Equipment	13967	5%	360
330	Distribution Reservoirs and Standpipes	366501	5%	9438
331	Transmission and Distribution Mains	714428	5%	15063
333	Services	78002	5%	1363
334	Meters and Meter Installations	98738	5%	1854
335	Hydrants	35007	5%	424
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	16552	5%	238
341	Transportation Equipment	73365	5%	1620
343	Tools, Shop and Garage Equipment	12029	5%	470
344	Laboratory Equipment			
345	Power Operated Equipment	44869	5%	1247
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	139746	5%	5560
	TOTALS	3101616		81819

This amount goes on Comparative statement of Income and Expense Acct. No. 403.

Less: Amortization of Contributions in Aid of Construction

(45694)
36125

Depreciation for 2009 is calculated on O.C.L.D.

See Accountants' Report.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 50715	\$ 16544
134	Working Funds		
135	Temporary Cash Investments	---	183093
141	Customer Accounts Receivable	112060	105392
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 162775	\$ 305029
	FIXED ASSETS		
101	Utility Plant in Service	\$ 2858608	\$ 3101616
103	Property Held for Future Use		17917
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(1379164)	(1460983)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1479444	\$ 1658550
	TOTAL ASSETS	\$ 1642219	\$ 1963579

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 294937	\$ 247947
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	---	2000
235	Customer Deposits	27692	32485
236	Accrued Taxes	4102	3189
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	12463	9875
	TOTAL CURRENT LIABILITIES	\$ 339194	\$ 295496
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	1518730	1518730
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	502640	939010
272	Less: Amortization of Contributions	(25132)	(70826)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 1996238	\$ 2386914
	TOTAL LIABILITIES	\$ 2335432	\$ 2682410
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	(693213)	(718831)
	TOTAL CAPITAL	\$ (693213)	\$ (718831)
	TOTAL LIABILITIES AND CAPITAL	\$ 1642219	\$ 1963579

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 437387	\$ 435451
460	Unmetered Water Revenue		
474	Other Water Revenue	1390	2800
	TOTAL REVENUES	\$ 438777	\$ 438251
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 71814	\$ 80265
610	Purchased Water	187159	401
615	Purchased Power	38214	40581
618	Chemicals	919	3701
620	Repairs and Maintenance	56594	76498
621	Office Supplies and Expense	18545	20556
630	Outside Services	152005	149166
635	Water Testing	10447	17338
641	Rents		
650	Transportation Expense	7193	6189
657	Insurance – General Liability	12203	9287
659	Insurance – Health and Life		
666	Regulatory Commission Expense – Rate Case	---	7272
675	Miscellaneous Expense	2643	---
403	Depreciation Expense	48198	36125
408	Taxes Other Than Income	10325	9495
408.11	Property Taxes	14129	12381
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 630388	\$ 469255
	OPERATING INCOME/(LOSS)	\$ (191611)	\$ (31004)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	4723	6218
426	Miscellaneous Non-Utility Income		
427	Interest Expense	(1184)	(832)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 3539	\$ 5386
	NET INCOME/(LOSS)	\$ (188072)	\$ (25618)

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	---			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$ ---	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 2224

Meter Deposits Refunded During the Test Year \$ 141

COMPANY NAME Valle Verde Water	
Name of System: Valle Verde Water	ADEQ Public Water System Number: 12-009

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-617053 (well #1)	30	200	105	12	4	1954
55-617054 (well #2)	30	350	260	16	6	1972
55-617055 (well #3)	15	130	220	12	3	1971
55-513789 (well #4)	10	70	203	12	3	1987
55-801847 (well #7)	30	400	93	10	4	1933
55-617057 (well #9)	3	30	n/a	8	2	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
n/a		13	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
n/a		7,000	1
		3,000	2/2 (well #3 & well #7)
		7,500	1
		10,000	1
		2,000	1
		200	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME Valle Verde Water	
Name of System: Valle Verde – Las Minas	ADEQ Public Water System Number: 12-025

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-500951 (well #5)	50	350	400	16	6	1982
55-502001 (well #6)	40	800	450	16	6	1982
55-582348 (well 10)	n/a	450	290	12	6	2001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15/well #10	2	32	
30/well #10	3		
25/well #6	2		
50/well #6	1		
100/well #6	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
800,000/well #6	1	10,000/well #5 & 6	2
200,000/well #10	1	7,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME: Valle Verde Water Company		
Name of System: Valle Verde Water	ADEQ Public Water System Number: 12-009	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	4,361
3		
4	PVC	38,391
5		
6	PVC	4,117
8		
10		
12		
6		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	318
3/4	404
1	38
1 1/2	3
2	10
Comp. 3	5
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT: 2 Chlorinators, GAC System

STRUCTURES: Office 12'x12'
GAC fence 42'x22'
Chlorinator room 3x5
Well #1 bldg 24x24
House 32x76

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME: Valle Verde Water Company

Name of System: Valle Verde – Las Minas

ADEQ Public Water System Number: 12-025

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	1,222
5		
6	PVC	2,913
8	PVC	10,372
10		
12	PVC	1,770
6		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	69
3/4	4
1	9
1 1/2	
2	10
Comp. 3	2
Turbo 3	
Comp. 4	1
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT: 2 Chlorinators

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: <u>Valle Verde Water</u>	ADEQ Public Water System Number: <u>12-009</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	708	4922	5073	0
FEBRUARY	726	4411	4570	0
MARCH	718	4517	4616	0
APRIL	737	5075	5131	0
MAY	725	5980	6093	0
JUNE	743	6296	6331	0
JULY	723	6550	6659	0
AUGUST	721	7080	7202	0
SEPTEMBER	729	5714	5947	0
OCTOBER	724	5855	5908	0
NOVEMBER	722	5368	5450	0
DECEMBER	733	5140	5140	0
TOTALS →		66908	68120	0

What is the level of arsenic for each well on your system? 0.009 & 0.003 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
(X) Yes () No

If yes, provide the GPCPD amount: 121

Note: If you are filing for more than one system, please provide separate data sheets for each system. See Accountant's Compilation Report

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: <u>Valle Verde – Las Minas</u>	ADEQ Public Water System Number: <u>12-025</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	92	2458	3763	0
FEBRUARY	92	1667	2413	0
MARCH	94	1526	3210	0
APRIL	92	2090	3752	0
MAY	93	2542	4670	0
JUNE	93	3871	2986	0
JULY	94	4390	4696	0
AUGUST	93	4739	3449	0
SEPTEMBER	91	2927	4891	0
OCTOBER	92	3185	4177	0
NOVEMBER	90	2594	2080	0
DECEMBER	91	1156	2079	0
TOTALS →		33144	42167	0

What is the level of arsenic for each well on your system? 0.005 & 0.009 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
(X) Yes () No

If yes, provide the GPCPD amount: 121

Note: If you are filing for more than one system, please provide separate data sheets for each system. See Accountant's Compilation Report

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: Valle Verde Water	ADEQ Public Water System Number: 12-009

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	89	0
APRIL	0	0	0
MAY	0	20	0
JUNE	0	0	0
JULY	0	66	0
AUGUST	0	42	0
SEPTEMBER	0	20	0
OCTOBER	0	0	0
NOVEMBER	0	0	0
DECEMBER	0	52	0
TOTALS →	0	289	0

OTHER (description):

See Accountant's Compilation Report

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: Valle Verde – Las Minas	ADEQ Public Water System Number: 12-025

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	4	0
APRIL	0	0	0
MAY	0	3	0
JUNE	0	0	0
JULY	0	4	0
AUGUST	0	1	0
SEPTEMBER	0	1	0
OCTOBER	0	0	0
NOVEMBER	0	0	0
DECEMBER	0	3	0
TOTALS →	0	16	0

OTHER (description):

See Accountant's Compilation Report

COMPANY NAME Valle Verde Water Company

YEAR ENDING 12/31/2009

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2009 was \$ 12381

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property tax paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY OF (COUNTY NAME))

Pima

NAME (OWNER OR OFFICIAL)

Bonnie O'Connor

TITLE

Manager

COMPANY NAME

Valle Verde Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR


2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL

520-623-5172

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME EILEEN P DELANEY

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

COUNTY NAME

PIMA

MONTH

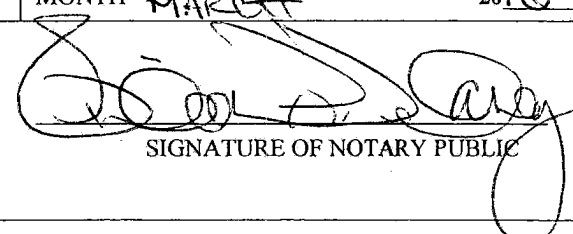
MARCH

2010



Eileen P. Delaney
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Commission Expires
May 14, 2012

MY COMMISSION EXPIRES


SIGNATURE OF NOTARY PUBLIC

See Accountants' Report.

INCOME TAXES

For this reporting period, please provide the following:

Federal Taxable Income Reported	<u>Estate</u>
Estimated or Actual Federal Tax Liability	<u></u>
State Taxable Income Reported	<u>Estate</u>
Estimated or Actual State Tax Liability	<u></u>
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	<u></u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u></u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3/31/10
DATE

Bonnie O'Connor
PRINTED NAME

Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

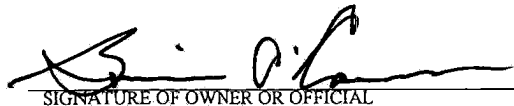
Arizona IntraState Gross Operating Revenues Only (\$)

\$ 472121.00

(THE AMOUNT IN THE BOX ABOVE
INCLUDES \$37130

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL

520-1023-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME EILEEN P. DELANEY

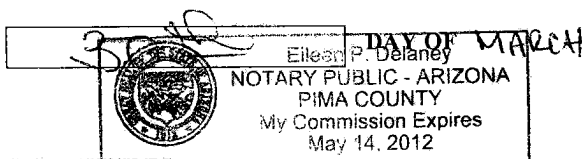
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

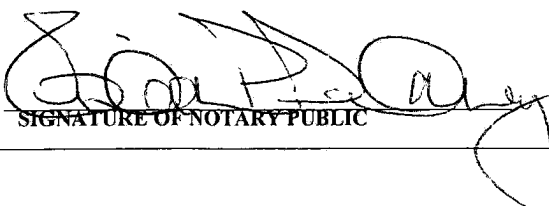
(SEAL)

MY COMMISSION EXPIRES

See Accountant's Report.



COUNTY NAME	<u>PIMA</u>
MONTH	<u>20 10</u>


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Bonnie O'Connor	TITLE Manager
COMPANY NAME Valle Verde Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2009
-------------	-----------	--------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$303,031.10
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES **\$23,935.30**
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

520-6023-5172
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS**

**DA
Y
OF**
30th

NOTARY PUBLIC NAME EILEEN P. DELANEY	
COUNTY NAME PIMA	
MONTH MARCH	2010

(SEAL)



Eileen P. Delaney
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Commission Expires
May 14, 2012

MY COMMISSION EXPIRES

X 
SIGNATURE OF NOTARY PUBLIC

See Accountants' Report

0042958
SITUS ADDRESS

LEGAL DESCRIPTION

218,419
ACREAGE

86,986
JURISDICTION

1,281.40
TOTAL TAX DUE

6,889.56
TOTAL TAXES

02000 SANTA CRUZ COUNTY
02001 STATE SCHOOL TAX EQU
07001 NOGALES SD #1
11900 FIRE DISTRICT ASSIST
15001 SANTA CRUZ COUNTY FC

2,654.24
0.00
5,712.15
88.06
530.81

2,518.76
287.58
3,770.76
96.99
725.47

This is the only notice you will receive.

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

THIS IS A
CALENDAR YEAR
TAX NOTICE

928-30-150 8

090916 12 R A0011 02305



VALLE VERDE WATER CO
C/O SOUTHWESTERN UTILITY MANAGEMENT
2102 N FORBES BLVD., SUITE 107
TUCSON, AZ 857450000

TOTALS

8,985.26

6,889.56

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov 2, 2009. To pay 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 3, 2010. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec 31, 2009, and no interest will be charged for the current year.

Make your check payable to and mail to
Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK

Went 10/2

0015150	75,472	9,587	459.60	TOTAL TAX DUE	875.02
ACREAGE:	0.00	JURISDICTION	2009 TAXES	2008 TAXES	
0015150		02000 SANTA CRUZ COUNTY	219.34	231.79	
SITUS ADDRESS:		02001 STATE SCHOOL TAX EQU	0.00	26.46	
4505 GARDEN DR		07001 NOGALES SD #1	381.77	264.19	
LEGAL DESCRIPTION:		11203 RIO RICO FD	229.88	247.48	
FIRESTONE GARDENS LOT 3		11900 FIRE DISTRICT ASSIST	7.86	6.54	
		15001 SANTA CRUZ COUNTY FC	47.41	15.32	

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Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

6/11/10

**THIS IS A
CALENDAR YEAR
TAX NOTICE**


TOTALS 886.26 875.02

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113-42-013 9
090916 12 R A0005 00533




 RANDALL WILLIAM & CATALINA S
 RANDALL WILLIAM & CATALINA S
 P O BOX 85160
 TUCSON, AZ 85754

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
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Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

3,000		490	23.01	TOTAL TAX DUE
ACREAGE:	0.00	JURISDICTION	2009 TAXES	2008 TAXES
0015195		02000 SANTA CRUZ COUNTY	14.47	13.84
SITUS ADDRESS:		02001 STATE SCHOOL TAX EQU	0.00	0.00
		07001 NOGALES SD #1	31.13	30.44
LEGAL DESCRIPTION:		11203 RIO RICO FD	14.03	14.34
WATER PLANT PARCEL (39049 SF); WELLS #5(7268 SF); W		11900 FIRE DISTRICT ASSIST	0.48	0.48
ELL #616401 SF) IN SEC 25 T23S R13E		15001 SANTA CRUZ COUNTY FC	2.89	2.74

This is the only notice you will receive.

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

SEP 29 2009

**THIS IS A
CALENDAR YEAR
TAX NOTICE**

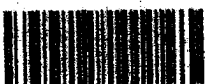
TOTALS

63.00

53.44

113-43-017 4

090916 12 R A0005 00560



VALLE VERDE WATER COMPANY
RANDALL WILLIAM F
P O BOX 85160
TUCSON, AZ 85754

PAYMENT INSTRUCTIONS

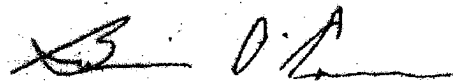
To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov 2, 2009. To pay 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 3, 2010. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec 31, 2009, and no interest will be charged for the current year.

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Nogales, AZ 85628

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PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK

Caesar Ramirez
 Santa Cruz County Treasurer
 2150 N Congress Dr
 Nogales AZ 85621-1091



MEMO

AUTHORIZED SIGNATURE

⑈002540⑈ ⑆122105278⑆0728565524⑈

VALLE VERDE WATER CO.

2540

Caesar Ramirez			10/8/2009		
Date	Type	Reference	Original Amt.	Balance Due	Discount Payment
9/29/2009	Bill	Prop Tax 1st	1,329.59	1,329.59	1,329.59
10/2/2009	Bill	Prop Tax 1st	3,444.78	3,444.78	3,444.78
10/2/2009	Bill	Prop Tax 1st	437.51	437.51	437.51
10/2/2009	Bill	Prop Tax 1st	53.94	53.94	53.94
10/2/2009	Bill	Prop Tax 1st	320.35	320.35	320.35
10/2/2009	Bill	Prop Tax 1st	560.62	560.62	560.62
				Check Amount	6,146.79

Wells Fargo Bank

6,146.79

VALLE VERDE WATER CO.

2540

Caesar Ramirez			10/8/2009		
Date	Type	Reference	Original Amt.	Balance Due.	Discount Payment
9/29/2009	Bill	Prop Tax 1st	1,329.59 ✓	1,329.59	1,329.59
10/2/2009	Bill	Prop Tax 1st	3,444.78 ✓	3,444.78	3,444.78
10/2/2009	Bill	Prop Tax 1st	437.51 ✓	437.51	437.51
10/2/2009	Bill	Prop Tax 1st	53.94 ✓	53.94	53.94
10/2/2009	Bill	Prop Tax 1st	320.35 ✓	320.35	320.35
10/2/2009	Bill	Prop Tax 1st	560.62 ✓	560.62	560.62
				Check Amount	6,146.79

Wells Fargo Bank

6,146.79

0042957
SITUS ADDRESS

LEGAL DESCRIPTION

107.413

24,334

1,090.88

TOTAL TAX DUE

2,000.00

JURISDICTION
02000 SANTA CRUZ COUNTY
02001 STATE SCHOOL TAX EQU
07001 NOGALES SD #1
11202 NOGALES SUBURBAN FD
11900 FIRE DISTRICT ASSIST
15001 SANTA CRUZ COUNTY FC

2008
TAXES
735.82
0.00
1,583.56
793.39
24.41
147.16

2009
TAXES
704.11
80.45
1,054.96
790.86
24.33
4.07

This is the only notice you will receive.

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

THIS IS A
CALENDAR YEAR
TAX NOTICE

TOTALS

3,284.34

2,659.18

928-30-101 6
090916 12 R E0003 00274



SEP 28 2009

VALLE VERDE WATER CO
C/O SOUTHWESTERN UTILITY MANAGEMENT
2102 N FORBES BLVD., SUITE 107
TUCSON, AZ 857450000

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ON YOUR CHECK

HOLM, HESTAND & VALENZUELA, CPAs, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
3131 NORTH COUNTRY CLUB ROAD, SUITE 109
TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

We have compiled the balance sheets of Valle Verde Water Company as of December 31, 2009 and 2008, and the related comparative statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission--Utilities Division information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Holm, Hestand, Valenzuela CPAs P.C.

March 23, 2010